

assets of significant value, such as land or business machinery, and yet have few liquid assets to pay an estate tax bill. Clearly, a great many more taxpayers are affected by the estate tax than opponents of repeal would have us believe.

Let me give you an example, Mr. President. Until late last year, Ken Macey was the chairman of his second-generation family-owned grocery business based in Sandy, Utah. Ken's father had founded the business in 1946, opening a tiny store called "Sava Nickel" in a renovated house in North Salt Lake. Relying on old-fashioned hard work and thrift and the principle of treating customers and employees as they would want to be treated, the Macey family built their business into an eight-store chain, with \$200 million per year in revenues and 1,800 employees.

Mr. Macey tells me he would have liked to keep the business in the family. However, the long shadow of the death tax loomed. Even though Mr. Macey had spent many thousands of dollars in professional fees for estate tax planning, he still believed his estate was vulnerable for tax rates of up to 60 percent. Rather than risk the trauma of a forced sale upon his death that could have been devastating to his children and the 1,800 employees and their families that depended on Macey's for their livelihood, Mr. Macey decided to sell his business to a larger food store chain.

Although this story could have been much worse if some or all of Macey's employees has lost their jobs, it is a tragedy that a business founded by this Utahn's father was forced to be sold outside the family. Macey's Inc. is another example of the millions of American family businesses that do not survive to the next generation.

Some of the same senators and congressmen—and our President—who have decried the loss of family farms and family-owned small businesses and who have wondered aloud why large corporations seem to be taking over Main Street have totally ignored the estate tax as one major reason. Yet, many of these colleagues continue to argue that repealing the death tax benefits only the wealthiest two percent.

According to the National Federation of Independent Businesses, only about 30 percent of family farms and businesses survive to the second generation, and only about 4 percent survive a second-to-third generation transfer. No one can tell Mr. Macey or his children or grandchildren that they are not the victims of an unfair death tax.

The point is that a huge amount of money, effort, and talent is wasted by millions of individuals and owners of family farms and businesses on activities designed to avoid the death tax. Most of these efforts are successful in the sense that the majority of these estates avoid paying the tax. However, the cost to the economy in terms of lost productivity, business disruption, and lost jobs is enormous.

A December 1998 study by the Joint Economic Committee concluded that the death tax has reduced the stock of capital in the economy by almost a half trillion dollars. By putting these resources to better use, as many as 240,000 jobs could be created over a seven year period, resulting in an additional \$24.4 billion in disposable personal income.

A study released last year by the Institute for Policy Innovation (IPI) estimated that the repeal of the estate tax would, over 10 years:

Increase annual gross domestic product by \$137 billion.

Boost the nation's capital stock by \$1.7 trillion.

Create 275,000 more jobs than would otherwise be created.

The IPI study also estimated that over the first decade following repeal of the death tax, added growth from capital formation would generate offsetting federal revenues of 78 percent of the static revenue loss. By 2010, these gains would totally offset the loss in revenues.

Mr. President, my colleagues who oppose the repeal of the estate and gift tax would have the American people believe that this repeal would benefit only a very few rich families in America. What a distortion of the facts! All of us are hurt by a tax that drives millions of people to spend billions of dollars in largely effective, but economically destructive, activities to avoid paying the death tax. When these efforts fail, jobs are often lost and dreams often die. All of us will benefit by repealing the tax, through increased economic activity, more jobs, more disposable income, and a fairer tax system.

Again, I commend Senator ROTH and other supporters of this bill for pointing out the many reasons it should be passed and passed expeditiously.

I would like my friends and colleagues on the other side of this issue to remember that the estate and gift tax—the "death tax"—is not a tax on income. Income was already taxed. This is a tax on the American dream. This is a tax on a way of life for many American families and the accumulation of their hard work. This is a tax on their hope for the future, which often includes leaving something for their children and grandchildren.

We must repeal it, and the time is now.

The PRESIDING OFFICER (Mr. BROWNBACK). The clerk will read the bill for the third time.

The bill was read the third time.

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The bill having been read the third time, the question is, Shall the bill pass? The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arkansas (Mr. HUTCHINSON) is necessarily absent.

Mr. REID. I announce that the Senator from South Dakota (Mr. DASCHLE) is necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. DASCHLE) would vote "no."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 39, as follows:

[Rollcall Vote No. 197 Leg.]

YEAS—59

Abraham	Fitzgerald	Murkowski
Allard	Frist	Murray
Ashcroft	Gorton	Nickles
Bennett	Gramm	Robb
Bond	Grams	Roberts
Breaux	Grassley	Roth
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Helms	Smith (NH)
Cleland	Hutchison	Smith (OR)
Cochran	Inhofe	Snowe
Collins	Kyl	Stevens
Coverdell	Landrieu	Thomas
Craig	Lincoln	Thompson
Crapo	Lott	Thurmond
DeWine	Lugar	Torricelli
Domenici	Mack	Warner
Enzi	McCain	Wyden
Feinstein	McConnell	

NAYS—39

Akaka	Edwards	Leahy
Baucus	Feingold	Levin
Bayh	Graham	Lieberman
Biden	Harkin	Mikulski
Bingaman	Hollings	Moynihan
Boxer	Inouye	Reed
Bryan	Jeffords	Reid
Byrd	Johnson	Rockefeller
Chafee, L.	Kennedy	Sarbanes
Conrad	Kerrey	Schumer
Dodd	Kerry	Specter
Dorgan	Kohl	Voinovich
Durbin	Lautenberg	Wellstone

NOT VOTING—2

Daschle	Hutchinson
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The bill (H.R. 8) was passed.

Mr. ROTH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MARRIAGE TAX PENALTY RELIEF RECONCILIATION ACT OF 2000

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 4810, which the clerk will report by title.

The legislative clerk read as follows:

A bill (H.R. 4810) to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001.

The PRESIDING OFFICER. All after the enacting clause is stricken, and the language of the Senate bill is inserted in lieu thereof.

The Senator from Delaware.

Mr. ROTH. Mr. President, we are now on the reconciliation bill authorized by the budget resolution we adopted in the spring.

I would like to clarify for all Senators that nothing in the consent agreement covering the consideration